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City Council Passes Mayor Kelly's First Budget Proposal; Major Investments in Fair Pay, Infrastructure, Equity and Innovation

CHATTANOOGA, Tenn. (Sept. 28, 2021) — Tonight the Chattanooga City Council unanimously voted to approve Mayor Tim Kelly's first proposed capital and operating budgets for Fiscal Year 2021-2022 — which rest on data-driven investments to market-align city pay with peer cities, repair aging infrastructure, and close gaps in access to opportunity and the amenities of a livable neighborhood.

"I'm grateful to the Chattanooga City Council for partnering with us to lay the groundwork for tackling the structural challenges our community faces while we also get the basics right -- all while ensuring our first responders and essential workers are paid fairly," said Mayor Tim Kelly. "With this budget, we're able to capitalize on the growth of Chattanooga's economy to ensure every resident has access to quality and responsive city services to keep pace with that growth."

Essential Pay for Essential Workers

The FY 2021-2022 budget invests 100 percent of new operating dollars, more than \$30 million, toward improved compensation plans for first responders and other essential workers. In a national economy significantly impacted by the global pandemic, resulting labor shortages have challenged the City's ability to provide quality and continuity to even the most essential services that Chattanooga residents expect and depend on.

Years of low wages —from 15% to 36% below the market's 50th percentile— have dried the talent pool and drained frontline City agencies of qualified personnel. To attract and retain skilled workers, this budget enables the City to better compete with higher starting wages in both the private sector, and neighboring and comparable municipalities. The median raise for General Government city employees is 18 percent, including a new minimum wage of \$15 an hour.

Community Safety

To maintain exceptional response times to calls for help from the public, the new FY 2021-2022 pay plan will provide **pay increases to first responders**, positioning Chattanooga to compete with peer and neighboring municipalities for top talent. A 2019 study commissioned by City HR recommended that to meet market rates, a 23% compensation increase was needed for firefighter pay, as well as a 24% pay increase for police officers.

This budget also includes approximately \$1.2 million to create a **Crisis Response Program**, comprised of ten social workers and a director, to provide alternative response and/or co-response to emergencies involving mental and behavioral health, substance abuse, and quality-of-life incidents related to homelessness or poverty. Crisis response teams will support Chattanooga Police and Fire personnel on social-service-focused requests for crisis counseling, case management, and initial contact for individuals who are intoxicated, in mental or emotional distress, disoriented, or in need of non-emergency medical care.

Additionally, the budget includes public-safety related **capital investments totaling \$5 million** including the Power to Protect solar project, as well as \$100,000 to provide mental-health support services to first responders – an expansion on the City’s traditional Employee Assistance Program to address the unique mental-health needs of frontline personnel.

Infrastructure and Neighborhood Livability

An unprecedented \$10 million will go toward **Public Works’ paving program** – a down payment on what will be a four-year, annual \$10 million commitment (\$40 million total) to help bring neighborhood streets into a state of good repair. Guiding this work will be a Transportation Asset Management Plan, a four-year paving plan, and full-time pothole inspector – providing more transparency, equity, and proactivity to fixing Chattanooga’s aging roads.

The capital budget also includes:

- ✓ \$1.8 million for sidewalk construction and repair
- ✓ \$1.6 million for CARTA
- ✓ \$9 million for critical infrastructure, including additional road projects
- ✓ \$1 million for parks and playgrounds – including park maintenance and expanded funding for a new parks and greenways master plan
- ✓ \$1.25 million for greenways and neighborhood connectivity
- ✓ \$3.5 million in infrastructure to support economic development in East Chattanooga
- ✓ \$700,000 for a community-driven Neighborhood Reinvestment Fund, targeting underserved neighborhoods

The City of Chattanooga is committed to revising capital budgets and infrastructure plans through an equity lens to reverse decades of infrastructure decline and ensure vulnerable communities are not left behind. A full-time Director of Neighborhood Design and Connectivity will also work to ensure all Chattanoogans have access to the outdoors, as well as multimodal connections to jobs, education, healthcare, fresh food, and more.

Education and Workforce Development

Through a pioneering partnership with Hamilton County Schools, more than \$700,000 will go toward the **Community Forward Schools** initiative, designed to remove barriers to academic

success so students and their families can thrive. City-funded staff, in seven schools within city limits, will work with principals to bring families the resources needed to support student social and emotional development - ensuring each child has access to safe and secure housing and even career services to open pathways to good jobs.

The budget also commits \$2 million in capital dollars for a **Building and Construction Workforce Center** at the former Garber school in East Chattanooga. The City is partnering with the Associated General Contractors of East Tennessee, Hamilton County, Hamilton County Schools, Chattanooga State, the State of Tennessee, and others to provide industry workforce development through three integrated areas of focus: an 11th/12th-grade vocational academy; adult training through the Tennessee College of Applied Technology's construction-certification and other programs; and a career and business center to connect students with on-the-job training, as well as continuing education and support services for trade professionals.

Lifting Up Our Most Vulnerable

The budget also invests nearly \$7 million to transform YFD **Community Centers**, including \$2 million in capital funding for renovations, so they better reflect the needs of the communities in which they're located, with local advisory councils to inform their scope. To help make city support services more accessible at the neighborhood level, workforce development and other programs will be located within Community Centers. The Centers will serve as front doors to a comprehensive network of programs and relationships, embedded in Chattanooga communities.

The FY 2022 budget also increases funding for **Chattanooga's Therapeutic Recreation Centers** to approximately \$337,000 – to provide more staff and a doubling of operating expenses. These centers provide critical and popular recreational services to people with disabilities, including the Camp ZooAbility summer program.

The **Office of Homelessness and Supportive Housing** will receive an additional investment of nearly \$300,000, enabling them to serve an additional 560 individuals experiencing homelessness. New OHS services will include: streamlining intake and service-connection processes, increasing the number of landlords who accept Housing Choice Vouchers, and creating a single point-of-contact for service referrals. According to a 2021 Point-in-Time Count, Chattanooga's unsheltered homeless population quadrupled during the COVID-19 pandemic. These resources are geared toward ensuring OHS can meet the urgency of the moment.

A new **Office of Community Health** led by Dr. Mary Lambert will help reduce racial disparities in health outcomes (including ensuring Chattanooga residents can access fresh, healthy food), build regional partnerships, and increase health literacy. OCH recently secured a two-year, \$3.4 million grant from the U.S. Department of Health and Human Services to bring health navigators to community centers, where they will help families understand their health choices and connect them to primary care, as well as dispense accurate information about COVID-19 vaccines.

Responsive, Effective Government

The FY 2021-2022 budget also funds a Chief Equity Officer, in a new **Office of Equity and Community Engagement**, to help adopt an equity lens across city government, investments, and initiatives. The capital budget also invests over \$1 million in **digital infrastructure** to

support constituent access and interaction with a more open local government – including an all-new Chattanooga.gov, audio/video support for public information and meetings, Outdoor Chattanooga and 311 mobile apps, and other technology upgrades to increase efficiency in development review and permitting.

More information on the new structure of City Government that the Kelly administration's operating budget supports can be found in a June 8 news release, linked [here](#).

"I want to thank Chattanooga City Council for their leadership on getting this done for our essential workers, our first responders, and our residents. Now we're ready to get to work," said Mayor Kelly. "The steady leadership of Budget Committee Chairwoman Carol Berz provided our residents and stakeholders with an inclusive, thoughtful, and effective budget process that helped make our budget better."

"I also want to thank our essential workers and first responders who stepped into the gap for all of us during this unprecedented global pandemic. We owe you a great debt," Mayor Kelly continued. "We can do big things together, Chattanooga. This is just the first step, but it's an important one."



Pictured: At his desk in City Hall, Mayor Tim Kelly signs Council-approved legislation to codify the City of Chattanooga's Fiscal Year 2021-2022 operating and capital budgets. Kelly administration staff, from left to right: City Attorney Emily O'Donnell, Senior Advisor for Economic Development Jermaine Freeman, Chief of Staff Brent Goldberg, Deputy Chief of Staff Julia Bursch, Chief Financial Officer Daisy Madison, and Chief Policy Officer Joda Thongnopia.